

**RESOLUTION NO. 10-10**

**RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$4,900,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS (GUIDED DISCOVERIES, INC. PROJECT), SERIES 2010 TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

**WHEREAS**, the California Infrastructure and Economic Development Bank (the “Issuer”) was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the “Act”), for the purpose of promoting economic development; and

**WHEREAS**, the Issuer is authorized to issue tax-exempt revenue bonds pursuant to the Act to provide financing for economic development facilities (as defined in the Act) located in the State of California (the “State”); and

**WHEREAS**, Guided Discoveries, Inc., a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the Issuer for assistance in (a) refunding the Issuer’s Variable Rate Demand Revenue Bonds, Series 2002 (Guided Discoveries, Inc., Project) (the “Prior Bonds”), the proceeds of which were used to finance and refinance the acquisition, construction, improvement, equipping and general development of (i) the Borrower's office headquarters facility located at 232 Harrison Avenue, Claremont, California, (ii) the Borrower's Astrocamp facility located at 26800 Saunders Meadow Road, Idyllwild, California, (iii) the sailing vessel Tole Mour berthed at the Port of Long Beach, Long Beach, California which is owned by Tole Mour Corporation, a corporation organized and operated exclusively as a support

organization to the Borrower and described in Sections 501(c)(3) of the Code, and operated by the Borrower, (b) to finance and refinance a portion of the cost of constructing, improving, restoring and generally developing (i) the Borrower's Astrocamp facilities, (ii) and the Borrower's camp facilities located at 1 Toyon Bay on Santa Catalina Island, California, and (iii) the Borrower's Camp Fox facility located at Buttonshell Beach on Santa Catalina Island, California (collectively, the "Project"), and (c) paying certain financing costs and costs of issuance with respect to the bonds authorized hereunder; and

**WHEREAS**, the Borrower has represented that a portion of the Project was financed or refinanced with the proceeds of the Issuer's Prior Bonds, issued on December 5, 2002 in the aggregate principal amount of \$4,100,000, and which are currently outstanding in the aggregate principal amount of \$2,650,000; and

**WHEREAS**, the Borrower has represented that it has used that portion of the Project financed or refinanced by the Prior Bonds, and intends to use the Project to operate recreational and educational facilities, which operation of the Project is consistent with the definition of an economic development facility in the Act, and that the Project will be consistent with any existing local or regional comprehensive plan; and

**WHEREAS**, for these purposes, the Borrower has requested the Issuer to (a) authorize the issuance of its Variable Rate Demand Revenue Bonds (Guided Discoveries, Inc. Project), Series 2010 (the "Bonds"), in an aggregate principal amount not to exceed \$4,900,000, (b) provide for the sale of the Bonds, (c) provide for the loan of proceeds of the sale of the Bonds to the Borrower to finance and refinance a portion of the costs of the Project; (d) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived

from the Borrower's repayment of that loan; and (e) take and authorize certain other actions in connection with the foregoing; and

**WHEREAS**, the Borrower has represented that it will obtain an irrevocable direct-pay letter of credit to be issued by Comerica Bank (the "Bank") for the purpose of securing the Bonds, which will support an initial rating on the Bonds of A/FI from Fitch Ratings, Inc. and which is expected to remain in effect for 5 years unless a comparable substitute credit facility is provided by Borrower, the bonds are held by the Bank or the Bonds are converted to bear interest at a fixed rate and are rated no lower than "A3 by Moody's Investors Service, or "A-" by Standard and Poor's or Fitch Ratings, Inc. (the "Credit Facility"); and

**WHEREAS**, the Issuer may not issue the Bonds to finance and refinance the Project until the Board of Directors of the Issuer makes certain determinations relating to the Project as required by the Act; and

**WHEREAS**, there is now on file with the Secretary of the Board (the "Secretary") the following:

(a) a proposed form of a loan agreement to be entered into by and between the Issuer and the Borrower, providing for the loan of the proceeds of the Bonds to the Borrower;

(b) a proposed form of an indenture of trust to be entered into between the Issuer and Wells Fargo Bank, National Association (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;

(c) a proposed form of a bond purchase agreement to be entered into by and among the Issuer, the Treasurer of the State and Comerica Securities, as underwriter (the "Underwriter"), and approved by the Borrower providing for the sale of the Bonds;



(d) a proposed form of official statement to be used by the Underwriter in connection with the offering and sale of the Bonds; and

(e) a proposed form of tax certificate and agreement to be entered into by and between the Issuer and the Borrower, relating to the tax-exempt status of the interest on the Bonds;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors (the “Board”) of the California Infrastructure and Economic Development Bank, as follows:

**Section 1.** The above recitals are true and correct.

**Section 2.** Pursuant to Sections 63046 and 63047 of the Act, and based upon representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines that:

(a) the Project is located in the State of California;

(b) the Borrower is capable of meeting its payment obligations incurred under the loan agreement as approved by this resolution, which finding is based in particular on the Borrower’s ability to satisfy the requirements imposed by the Bank to the issuance of the Bank’s Credit Facility;

(c) the Borrower is capable of meeting the other obligations incurred by the Borrower under the agreements approved by this resolution;

(d) the payments the Borrower to the Issuer under the loan agreement approved by this resolution are adequate to pay all current expenses of the Issuer in connection with the issuance of the Bonds and to make all the payments on the Bonds; and

(e) the Project is consistent with any existing local or regional comprehensive plans.

**Section 3.** Based on the information provided and representations made by the Borrower, the Board hereby finds and determines that the Project demonstrates clear evidence of a defined public benefit in that the Project provides educational and recreational resources to many residents in California.

**Section 4.** The Issuer authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to finance and refinance costs of the Project pursuant to the terms and provisions of the Loan Agreement. The proposed form of loan agreement on file with the Secretary of the Board (the “Secretary”) is hereby approved and the Chair of the Board, the Chair’s designee or the Executive Director of the Issuer (the “Executive Director”), each acting

alone, is hereby authorized and empowered to execute and deliver to the Borrower a loan agreement in substantially said form, with such changes and insertions therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of counsel to the Issuer, may require or approve, such requirement or approval to be conclusively evidenced by the delivery thereof (as so approved, the "Loan Agreement"). The Secretary is authorized to attest to the Issuer's execution of the Loan Agreement.

**Section 5.** The proposed form of an indenture of trust on file with the Secretary is hereby approved and the Chair of the Board, the Chair's designee or the Executive Director, each acting alone, is hereby authorized and empowered to execute and deliver to the Trustee an indenture of trust in substantially said form, with such changes and insertions therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of counsel to the Issuer, may require or approve, such requirement or approval to be conclusively evidenced by the delivery thereof (as so approved, the "Indenture"). The Secretary is authorized to attest to the Issuer's execution of the Indenture.

**Section 6.** The proposed form of bond purchase agreement on file with the Secretary is hereby approved and the Chair of the Board, the Chair's designee or the Executive Director, each acting alone, is hereby authorized and empowered to execute and deliver to the Underwriter and the Treasurer a bond purchase agreement in substantially said form, with such changes and insertions therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of counsel to the Issuer, may require or approve, such requirement or approval to be conclusively evidenced by the delivery thereof. The Treasurer of the State of California, as agent for sale for the Issuer's bonds, is hereby requested to sell the Bonds at negotiated sale, at such prices and at such initial interest rates as he may determine in accordance with the Indenture. Notwithstanding Section 63074(d) of the Act to the contrary, such sale may take place at any time within one hundred eighty (180) days of the adoption of this resolution, or at such later date not later than the date three hundred sixty (360) days of the adoption of this resolution as approved by the Executive Director.

**Section 7.** The proposed form of tax certificate and agreement on file with the Secretary is hereby approved and the Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute and deliver to the Borrower and counsel to the Bank a tax certificate and agreement in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

**Section 8.** The proposed preliminary form of official statement on file with the Secretary is hereby approved and the Chair of the Board, the Chair's designee or the Executive Director, each acting alone, is hereby authorized and empowered, for and on behalf of the Issuer, to execute a certificate or certificates in a form or forms which, with the advice of Issuer's counsel, is or are acceptable to the officer or official executing the same, to the effect that the



portions of the official statement in either its preliminary or final form under the captions "THE ISSUER" and "NO LITIGATION – The Issuer" are "deemed final" as of their respective dates, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as such officer or official, with the advice of counsel to the Issuer, may require or approve. The Underwriter is hereby authorized to distribute copies of the official statement in preliminary form to the prospective purchasers of the Bonds and the official statement in final form in connection with the sale of the Bonds. Neither approval nor authorization of distribution of the official statement in preliminary or final form shall be construed as a representation that the Issuer has reviewed or approved the accuracy or completeness of the official statement in preliminary or final form other than information under the captions "THE ISSUER" and "NO LITIGATION – The Issuer."

**Section 9.** The Issuer approves the issuance on a tax-exempt basis of not to exceed \$4,900,000 aggregate principal amount of the Bonds for the Project in accordance with the terms of and to be secured by the Indenture. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Issuer pursuant to the Loan Agreement and the Indenture, the purchase price of the Bonds shall be payable solely from the proceeds of the remarketing of the Bonds and amounts made available therefore under the Bank's Credit Facility or a permitted substitute credit facility, and the Bonds shall not be deemed to constitute a debt or liability of the Issuer (except to the limited extent provided in the Indenture) or the State of California. Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal or purchase price of, or premium, if any, or interest on, the Bonds. The Bonds shall be dated the date of their issuance and shall be paid in lawful money of the United States at the time or times and place or places provided in the Indenture. The Bonds shall be in the form and the denominations as provided in the Indenture, mature on the date or dates provided in the Indenture which shall be not later than 25 years from the date of issuance thereof, be subject to redemption as provided in the Indenture, shall carry the registration privileges provided in the Indenture and shall bear interest at a variable rate or rates to be determined in accordance with the Indenture, which rates shall not to exceed the lesser of twelve percent (12%) per annum or the maximum rate of interest on the Bonds permitted by the laws of the State.

**Section 10.** The Chair of the Board, the Chair's designee or the Executive Director, each acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Issuer, the Bonds, in an aggregate principal amount not to exceed \$4,900,000, in accordance with the terms of this resolution and the Indenture and in the form set forth in the Indenture.

**Section 11.** The Bonds, when executed as provided in this resolution, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Indenture. The Trustee is hereby requested and directed to authenticate and register the Bonds so delivered by executing the appropriate certificate of authentication and registration appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York or its agent (the "Depository") on behalf of the purchasers thereof in accordance with written instructions executed on behalf of the Bank by the Executive Director, the Chair of the Board, or the Chair's designee, which instructions each signatory, acting singly, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and to deliver to the Trustee. Such instructions shall provide for the

delivery of the Bonds to the Depository, on behalf of the purchasers thereof, upon payment of the purchase price therefor.

**Section 12.** The Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized, for and on behalf of and in the name of the Issuer, to execute and deliver all certificates and instruments, including, without limitation, letters of representations or authority, which they or counsel to the Issuer may deem necessary or advisable to consummate the issuance, sale and delivery of the Bonds or the Bank's Credit Facility, and otherwise to effectuate the purposes of this resolution.

**Section 13.** All actions heretofore taken by the officers and employees of the Issuer with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified. The officers of the Issuer and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to perform their duties and to execute and deliver any and all certificates which they, counsel to the Issuer or bond counsel to the Issuer may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

**Section 14.** This resolution shall take effect immediately upon its adoption.

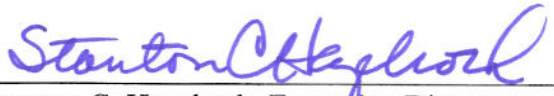
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on March 9, 2010, by the following vote:

AYES: BRYANT, LUJANO, BERTE, SHEEHY, RICE


NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By   
Stanton C. Hazelroth, Executive Director

Attest:

By   
Roma Cristia-Plant, Secretary